

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 121875

14

ORIGIN AF-05

INFO OCT-01 EUR-06 NEA-05 ADP-00 /017 R

66661

DRAFTED BY: AF/ N: RHPELLETREAU

APPROVED BY: AF: HODELL

----- 032303

R 230122 Z JUN 73

FM SECSTATE WASHDC

TO ALL NATO CAPITALS

AMEMBASSY BEIRUT

AMEMBASSY MOSCOW

AMEMBASSY TEL AVIV

AMEMBASSY TUNIS

USMISSION EC BRUSSELS

AMEMBASSY VIENNA

LIMITED OFFICIAL USE STATE 121875

FOLLOWING SENT ACTION ALGIERS INFO HELSINKI 21 JUN 73 FROM SECSTATE  
REPEATED TO YOU FOR INFO QUOTE:

LIMITED OFFICIAL USE STATE 121875

E. O. 11652: N/ A

TAGS: EFIN, AG

SUBJ: VISIT OF MAHFOUD AOUI, SEC. GEN. OF ALGERIAN MINIS-  
TRY OF FINANCE

1. SUMMARY: AOUI ACCOMPANIED BY BOUSSELHAM CALLED ON  
ASSISTANT SECRETARY NEWSOM ON JUNE 19, TO DISCUSS NUMBER OF  
ECONOMIC ISSUES - WORLD BANK LOANS, WORLD BANK REPORT ON  
ALGERIAN ECONOMY AND ALGERIAN DEBT/ SERVICE PROBLEM.  
BOUSSELHAM ALSO RAISED QUESTION OF ALGERIAN OBSERVER DELE-  
GATION TO CSCE. END SUMMARY.

2. EARLIER IN DAY AOUI HAD PARTICIPATED IN SIGNING TWO  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 121875

LOAN AGREEMENTS TO ALGERIA FROM WORLD BANK. THESE ARE TWO SMALL PROJECTS TALLING ABOUT \$24 MILLION FOR HIGHWAY AND GAS TECHNOLOGY INSTITUTE. BANK'S EXECUTIVE COUNCIL WARMLY SUPPORTED THESE FIRST LOANS TO ALGERIA SINCE ITS INDEPENDENCE AND AOUI EXPRESSED HOPE THAT MORE AND BIGGER PROJECTS WOULD BE APPROVED BY THE BANK. BOUSSELHAM POINTED OUT FRENCH BANK DIRECTOR ABSTAINED IN VOTE, BUT EXPRESSED SUPPORT FOR ALGERIAN USE OF BANK.

3. AOUI EXPLAINED THAT, THOUGH THERE HAD BEEN NO SETTLEMENT OF PRIVATE NATIONALIZATION CLAIMS WITH FRENCH, THERE HAD BEEN PROGRESS ON AGREEING TO MEET AND ALGERIANS HAD PREPARED PAPER ON CRUCIAL ISSUE OF VALUATION.

4. AOUI PRESENTED NEWSOM WITH COPY OF BANK'S REPORT ON ALGERIAN ECONOMY. HE HAD WORKED WITH BANK ON PREPARATION AND THOUGHT IT WAS GOOD REPORT. HOWEVER, ALGERIANS WISHED TO CHANGE TABLE 4.2 TO MORE ACCURATELY PORTRAIT EXTERNAL DEBT. TABLE SHOWS NEW LOAN DISBURSEMENTS OF \$1.5 BILLION IN 1973, BUT ONLY ABOUT 120 MILLION OF THESE LOANS HAVE BEEN DRAWN DOWN SO IT IS INEXACT TO INCLUDE AS TOTAL LOANS AS OUTSTANDING DEBT.

5. IN RESPONSE TO NEWSOM'S QUESTION, AOUI EXPLAINED ONE COULD NOT COMPARE BANK'S REPORT ON ALGERIAN DEBT/ SERVICE SITUATION AND EXIM FIGURES WHICH WERE FOR SONATRACH ONLY. HOWEVER, BANK'S REPORT EXPRESSED CONFIDENCE IN ALGERIAN'S ABILITY TO SERVICE DEBT DESPITE FAIRLY HIGH DEBT/ SERVICE RATIO. NEWSOM NOTED THERE HAD BEEN NUMBER OF ARTICLES ON RECENT NEW ALGERIAN BORROWINGS, AND BELIEVED IT USEFUL FOR ALGERIA TO CLARIFY SITUATION. AOUI EXPLAINED THAT THESE WERE NOT NET NEW BORROWINGS, BUT RATHER CONSOLIDATION OF SMALL, SHORT TERM, HIGH RATE LOANS INTO LARGER, LONGER TERM LOANS AT BETTER RATES SO SITUATION ACTUALLY IMPROVED. BOUSSELHAM NOTED ALGERIAN INTERESTS SECTION WOULD ADD FINANCIAL ATTACHE IN PERSON OF KHELIF THE EXECUTIVE DIRECTOR FOR ALGERIA ON WORLD BANK WHO COULD HOLD BOTH JOBS. HE WOULD BE ABLE TO KEEP USG BETTER INFORMED ON ALGERIA'S DEBT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 121875

6. IN CLOSING BOUSSELHAM ON INSTRUCTIONS REQUESTED US SUPPORT FOR ALGERIAN DELEGATION AS OBSERVER AT CSCE TALKS BEGINNING JULY 3 IN HELSINKI. HE NOTED ALGERIA'S GREAT INTEREST IN EUROPE, FACT THAT ALGERIA HAD BEEN IN CORRIDORS AT PREPARATORY CSCE MEETINGS AND NEED TO REPORT TO NON-ALIGNED CONFERENCE SCHEDULED TO BEGIN IN ALGERIA IN SEPTEMBER. HE MADE CLEAR THIS WAS PRELIMINARY REQUEST

AND ALGERIA HAS NOT YET OFFICIALLY REQUESTED OBSERVER STATUS.

7. NEWSOM MADE PRELIMINARY RESPONSE THAT WE HOPED FIRST PHASE OF CSCE WOULD CONCENTRATE ON CENTRAL EUROPE AND NOT MEDITERRANEAN. WE WOULD LIKE TO MAINTAIN CONTACTS WITH ALGERIA ON WORK OF CSCE. WE RESPECTED THEIR INTERESTS, ESPECIALLY IF MEDITERRANEAN AREA WERE TO BE DISCUSSED; BUT SINCE THIS SESSION OF CSCE WILL CONCENTRATE ON EUROPE AND SINCE MANY OTHER COUNTRIES HAVE ALSO EXPRESSED INTEREST IN PARTICIPATING IN CSCE IN SOME WAY, NEWSOM DID NOT BELIEVE WE COULD SUPPORT OBSERVER STATUS FOR ALGERIA AT THIS TIME. HE WOULD, HOWEVER, TALK TO PEOPLE MORE DIRECTLY INVOLVED AND DISCUSS MATTER AGAIN WITH BOUSSELHAM. ROGERS UNQUOTE RUSH

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 JUN 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE121875  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** AF/ N: RHPELLETREAU  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** SECSTATE WASHDC  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730630/aaaajqqh.tel  
**Line Count:** 135  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21-Aug-2001 by boyleja>; APPROVED <19-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980227  
**Subject:** VISIT OF MAHFOUD AOUFI, SEC. GEN. OF ALGERIAN MINIS- TRY OF FINANCE  
**TAGS:** EFIN, AG  
**To:** BEIRUT  
EC BRUSSELS  
MOSCOW  
NATO POSTS  
TEL AVIV  
TUNIS  
VIENNA

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005